

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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December 5, 2003

TO: Internal File

THRU: Karl R. Houskeeper, Sr. Reclamation Specialist/Team Lead

FROM: Wayne H. Western, Environmental Scientist III, Bonding

RE: Permit Reduction, Plateau Mining Corporation, Star Point Mine, C/007/006-AM02D-1, Task ID #396

### **SUMMARY:**

The Division conditionally approved AM02D for a reduction in the permit and disturbed area acreage at the Star Point Mine on July 22, 2002. The one condition was the Permittee submit seven clean copies of the amendment. The permit area was reduced by 245.10 acres and the disturbed area by 108.20 acres. An area of 171.20 acres was transferred to Sunnyside Cogeneration Associates (SCA) and 73.9 undisturbed area was removed from the permit area because it was not longer needed.

On July 1, 1999, the Permittee posted a reclamation bond for \$10,581,000 in 2004 dollars. The Permittee submitted AM02D on March 25, 2002. Later the Permittee included additional acres to be removed (topsoil stockpile.) The Permittee did not submit any new bond calculations when the topsoil stockpile was later included. The Division approved the amendment and determined that the new bond amount must not be less than \$7,900,000.

While the amendment was approved July 22, 2002, the Division approved the permit area reduction but not a reduction in the bond amount. SCA posted a bond for the refuse pile on January 10, 2002.

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The Permittee later requested a bond reduction based on a reduction of liability because the refuse pile was taken out of the permit area and reclamation responsibility was transferred to SCA. The Permittee wanted the bond reduction to include the removal of the topsoil stockpile area, which was included in the permit reduction.

The Division calculated the reclamation bond amount based on the removal of all areas from the Star Point Mine and determined the amount must be no lower than \$7,796,000. On December 3, 2003, the Division approved the bond reduction.

**TECHNICAL ANALYSIS:**

## **RECLAMATION PLAN**

### **BONDING AND INSURANCE REQUIREMENTS**

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

**Analysis:**

**Determination of Bond Amount**

The current bond amount for the Star Point Mine is \$10,581,000. The Permittee want to reduce the bond by \$2,785,000 because of the permit transfer to Sunnyside Refuse and Slurry Mine. The \$2,785,000 is the reclamation cost estimate in the Star Point bond for reclaiming the refuse pile area. Since the area has been taken out of the Star Point permit and Sunnyside Cogeneration Associates (SCA) posted a new bond, the Division was able to process the Permittee's request.

The Division reviewed the reclamation cost estimate in the MRP and the Division own calculations and found the amount requested (\$2,785,000) to be appropriate. The new bond should be no less than \$7,796,000.

**Findings:**

The Permittee has met the minimum requirements of the bonding and insurance requirements.

**RECOMMENDATIONS:**

The Division should approve the bond amount to be \$7,796,000.